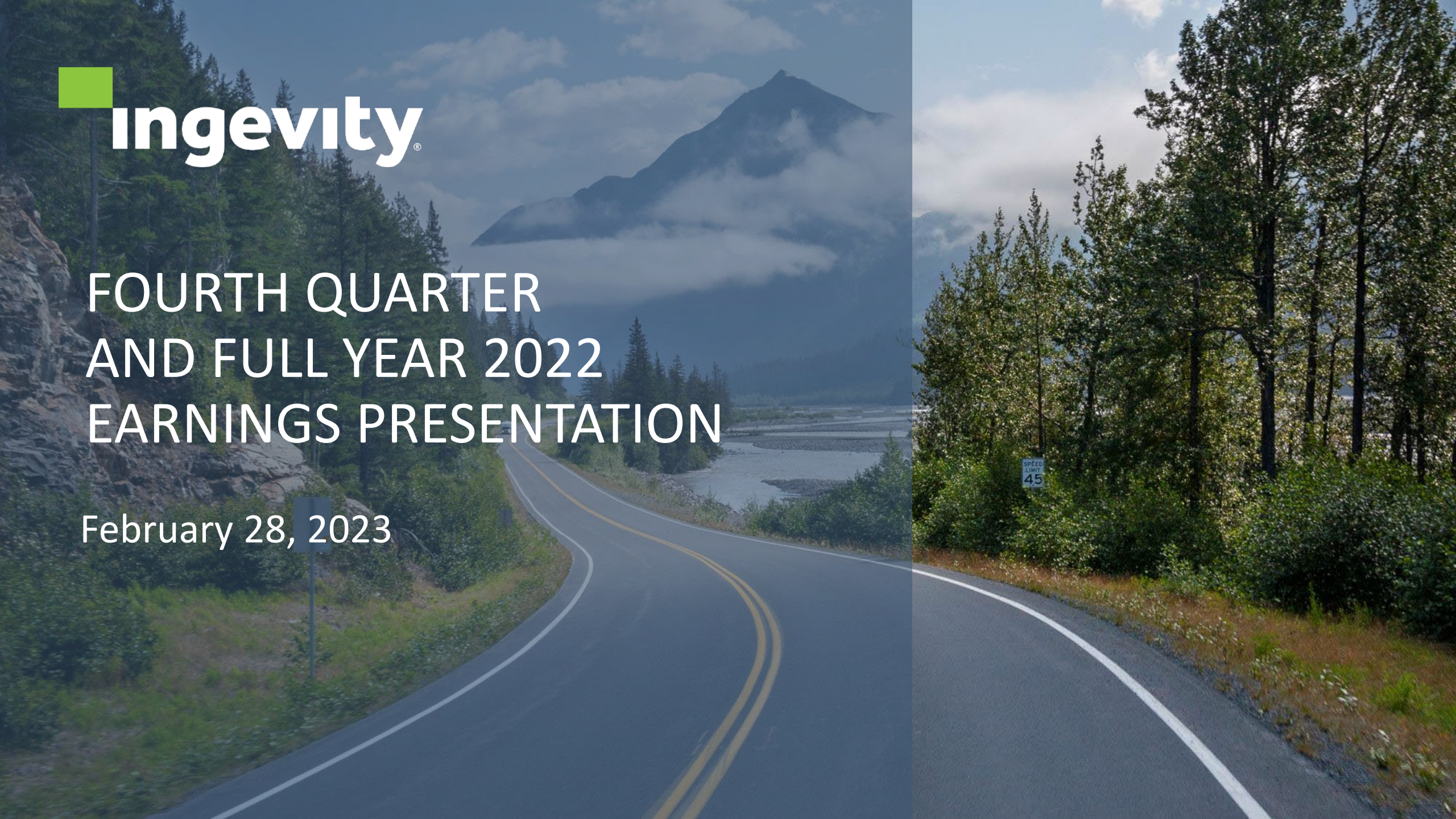


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FOURTH QUARTER AND FULL YEAR 2022 EARNINGS PRESENTATION

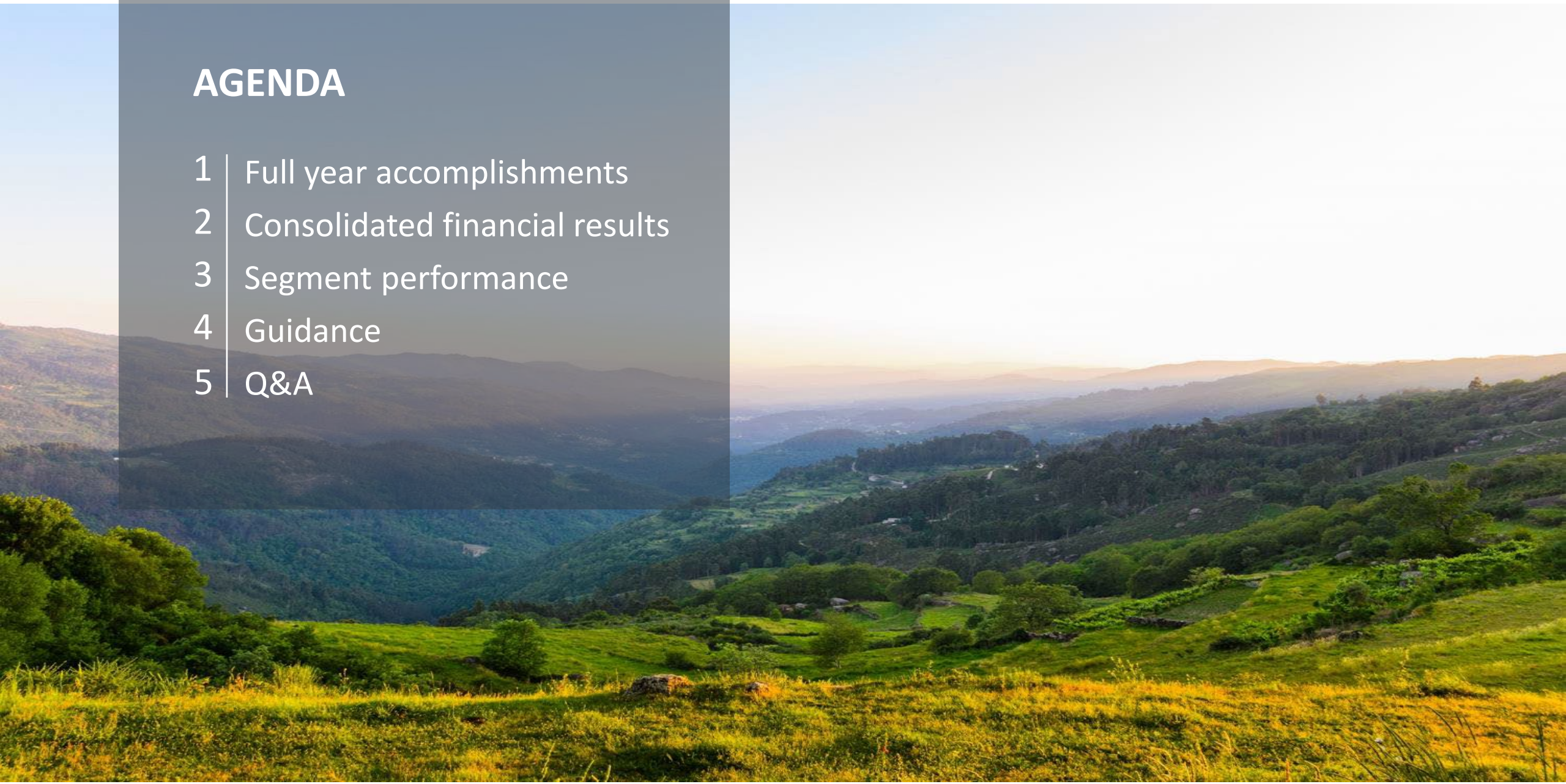
February 28, 2023

Use of non-GAAP financial measures: This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided within the Appendix to this presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. The company does not attempt to provide reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measure because the impact and timing of the factors underlying the guidance assumptions are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, Ingevity believes such reconciliations would imply a degree of certainty that could be confusing to investors.

Forward-looking statements: This presentation contains "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements generally include the words "will," "plans," "intends," "targets," "expects," "outlook," "believes," "anticipates" or similar expressions. Forward-looking statements may include, without limitation, the potential benefits of any acquisition or investment transaction, expected financial positions, expected financial positions, guidance, results of operations and cash flows; financing plans; business strategies and expectations; operating plans; impact of COVID-19; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost-reduction initiatives, plans and objectives; litigation related strategies and outcomes; markets for securities and expected future repurchases of shares, including statements about the manner, amount and timing of repurchases. Actual results could differ materially from the views expressed. Factors that could cause actual results to materially differ from those contained in the forward-looking statements, or that could cause other forward-looking statements to prove incorrect, include, without limitation, adverse effects from general global economic, geopolitical and financial conditions beyond our control, including inflation and war in Ukraine; risks related to our international sales and operations; adverse conditions in the automotive market; competition from substitute products, new technologies and new or emerging competitors; worldwide air quality standards; a decrease in government infrastructure spending; adverse conditions in cyclical end markets; the limited supply of or lack of access to sufficient crude tall oil and other raw materials; issues with or integration of future acquisitions and other investments; the provision of services by third parties at several facilities; adverse effects from the COVID-19 pandemic; supply chain disruptions; natural disasters and extreme weather events; or other unanticipated problems such as labor difficulties (including work stoppages), equipment failure or unscheduled maintenance and repair; attracting and retaining key personnel; dependence on certain large customers; legal actions associated with our intellectual property rights; protection of our intellectual property and other proprietary information; information technology security breaches and other disruptions; complications with designing or implementing our new enterprise resource planning system; government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs and the chemicals industry; and losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes, and the other factors detailed from time to time in the reports we file with the SEC, including those described in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K as well as in our other filings with the SEC. These forward-looking statements speak only to management's beliefs as of the date of this presentation. Ingevity assumes no obligation to provide any revisions to, or update, any projections and forward-looking statements contained in this presentation.

AGENDA

1 Full year accomplishments
2 Consolidated financial results
3 Segment performance
4 Guidance
5 Q&A



FULL YEAR ACCOMPLISHMENTS

Record revenue and EBITDA[(1)] year across all Ingevity business lines

Invested in several strategic growth opportunities such as the polyols expansion, alternate fatty acid commercialization, new markets for activated carbon, and expansion into road markings with the acquisition of Ozark Materials

Recognized for sustainability efforts by Ecovadis and Newsweek®



(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

FOURTH QUARTER (Q4) AND FULL YEAR (FY) CONSOLIDATED FINANCIAL PERFORMANCE

Q4 and FY financials

$ in millions except percentage and EPS	Q4 2022	Q4 2021	vs PY Δ%	FY 2022	FY 2021	vs PY Δ%
Net sales	**$383.6**	**$336.0**	**14.2%**	**$1,668.3**	**$1,391.5**	**19.9%**
Adjusted gross profit[1]	$123.7	$122.5	1.0%	$636.4	$579.6	9.8%
% margin[1]	32.2%	36.5%	*(430)*	38.1%	41.7%	*(360)*
Adjusted SG&A[1]	$50.8	$44.8	13.4%	$186.8	$162.7	14.8%
% net sales[1]	13.2%	13.3%	*10*	11.2%	11.7%	*50*
Adjusted other (income) expense, net[1]	$(1.4)	$(1.9)	(26.3)%	$(3.0)	$(5.3)	(43.4)%
% net sales[1]	(0.4)%	(0.6)%	*(20)*	(0.2)%	(0.4)%	*(20)*
Adjusted EBITDA[1]	$74.3	$79.6	(6.7)%	$452.6	$422.2	**7.2%**
% margin[1]	19.4%	23.7%	*(430)*	27.1%	30.3%	(320)
Diluted adjusted EPS[1]	$0.57	$0.78	(26.9)%	$6.01	$5.23	14.9%

Performance highlights

Record full-year sales of $1.67 billion up 20% and record Q4 sales of $383.6 million up over 14%

Q4

- Sales improved year over year primarily as a result of price increases
- Adjusted EBITDA [1] of $74.3 million was down versus the prior year due primarily to lower sales of certain higher-value products as a result of customer destocking

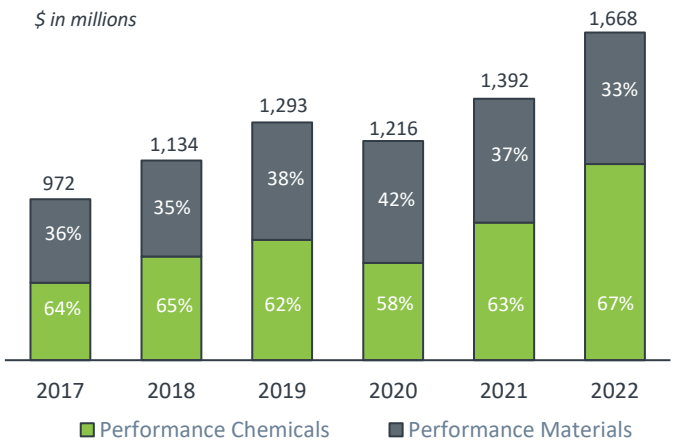
FY

- Record sales across all business lines as increased prices offset inflation
- Adjusted EBITDA [1] of $452.6 million was up versus the prior year but negatively impacted by gross margin compression as higher input costs outpaced price increases
- Record diluted adjusted EPS [1] up 15% to $6.01

(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

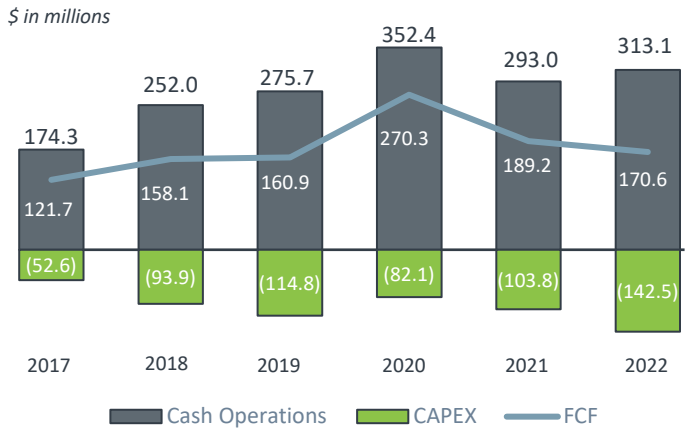
FY 2022 FINANCIAL METRICS AND HIGHLIGHTS

Net Sales



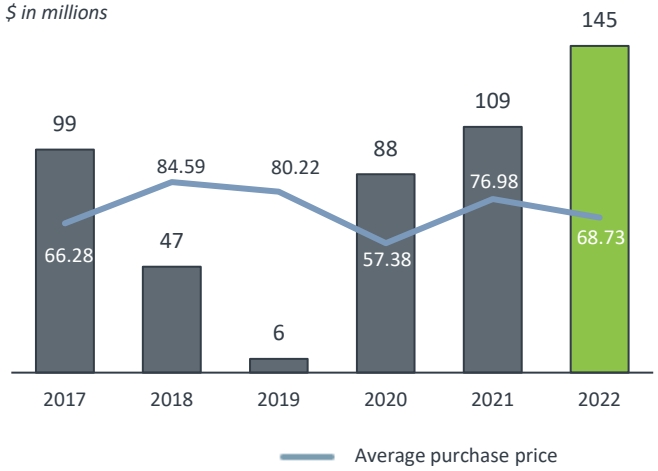
- Record sales year for both Performance Chemicals and Performance Materials
- Performance Chemicals representing 2/3rds of net sales
- Sales grew at 9% CAGR since 2017

Free Cash Flow (1)



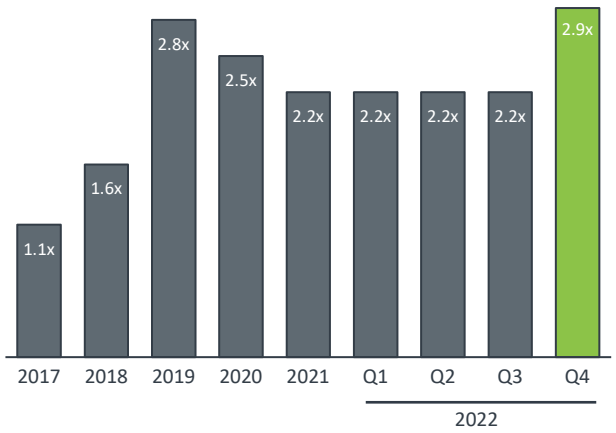
- FCF of $170.6 million reflects strong cash generation while continuing to invest organically
- Cash from operations up 7% versus 2021

Share Repurchase Spend



- Opportunistically repurchased 2.1M shares at an average price of $68.73
- $445 million remains under current Board authorization

Net Debt Ratio (1)



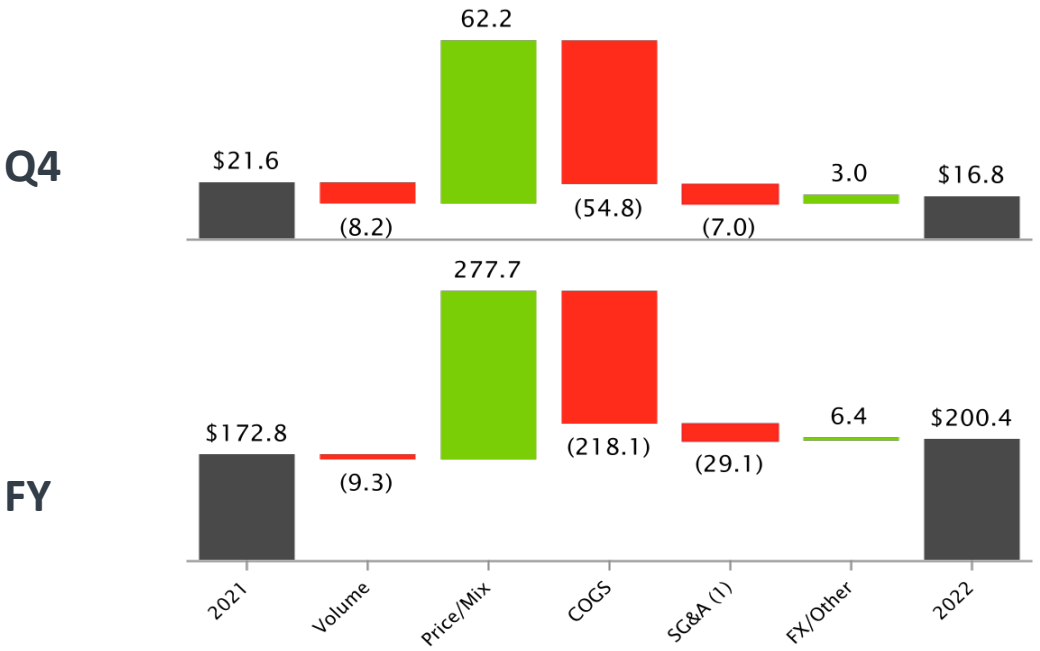
- Net debt ratio remained under 3.0x even with Ozark acquisition, share repurchases and $60 million Nexeon investment
- Expect to be ~2.5x by end of 2023

(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

PERFORMANCE CHEMICALS

$ IN MILLIONS	Q4 2022	% VS. PRIOR YEAR PERIOD	FULL YEAR 2022	% VS. PRIOR YEAR
Net Sales	**250.8**	**22.9%**	**1,119.8**	28.0%
Engineered Polymers	59.6	41.2%	244.7	31.7%
Industrial Specialties	143.9	11.7%	633.8	28.4%
Pavement Technologies	47.3	43.3%	241.3	23.5%
Segment EBITDA	**16.8**	**(22.2)%**	**200.4**	**16.0%**
Segment EBITDA Margin	**6.7%**	**(390) bps**	**17.9%**	**(190) Bps**

Segment EBITDA



Performance highlights

Q4 Sales of $250.8 million up 23% and FY sales of $1.12 billion up 28%

- **ENGINEERED POLYMERS:** Record sales for the year up over 30% due to strong demand in automotive and footwear & apparel markets supported by price increases to offset inflation. Q4 sales increased due to price increases and volume growth primarily in automotive and industrial equipment
- **INDUSTRIAL SPECIALTIES*:*** Record sales for the year up over 28% driven by price increases and strong demand in oilfield and ag chem markets; Q4 sales were negatively impacted by significant customer inventory destocking in our higher-margin product lines, but strong prices led to year-over-year sales growth of 12%
- **PAVEMENT TECHNOLOGIES:** Record sales for the year up over 23% as volumes reflected increased technology adoption and a strong paving year; Q4 sales up 43% including the road striping business of Ozark Materials

Q4 segment EBITDA of $16.8 million down 22%; segment EBITDA margin of 6.7% driven by customer destocking in certain higher-value product lines

FY segment EBITDA of $200.4 million up 16%; segment EBITDA margin of 17.9% as we continued to see increased energy, logistics, and raw material costs

(1) SG&A includes research and technical expenses

PERFORMANCE MATERIALS

$ IN MILLIONS	Q4 2022	▲% VS. PRIOR YEAR PERIOD	FULL YEAR 2022	▲ % VS. PRIOR YEAR
Net Sales	132.8	0.6%	548.5	6.1%
Segment EBITDA	57.5	(0.9)%	252.2	1.1%
Segment EBITDA Margin	43.3%	(60) bps	46.0%	(230) bps

Segment EBITDA



Performance highlights

Q4 Sales of $132.8 million flat vs. prior year and FY sales of $548.5 million up 6%

- Sales across Asia-Pacific were negatively impacted by COVID-19 disruptions
- Improvement in the availability of auto parts supplies led to an increase in full-year sales of our automotive activated carbon products

Q4 Segment EBITDA of $57.5 million flat to prior year; segment EBITDA margin of 43.3% down compared to prior year due to timing of price increases vs. rising input costs

FY Segment EBITDA of $252.2 million up 1%; segment EBITDA margin of 46% remained strong despite increased input costs

(1) SG&A includes research and technical expenses

RESEGMENTATION

INVESTOR DAY

May 22nd



2023 GUIDANCE AND OUTLOOK

FY Guidance

Financial metric	FY Guidance
Revenue	$1.9 - $2.1 billion
Adj. EBITDA [(1)]	$495 - $515 million
Capital expenditures	$140 – $160 million
Free cash flow [(1)]	≥$160 million
Net debt ratio [(1)]	~2.5x

Opportunities:

- Increased automotive production
- China market stabilizes
- Increasing infrastructure spending
- Supply chains normalizing

Pressures:

- Crude tall oil market dynamics
- Possible recession
- Input cost inflation

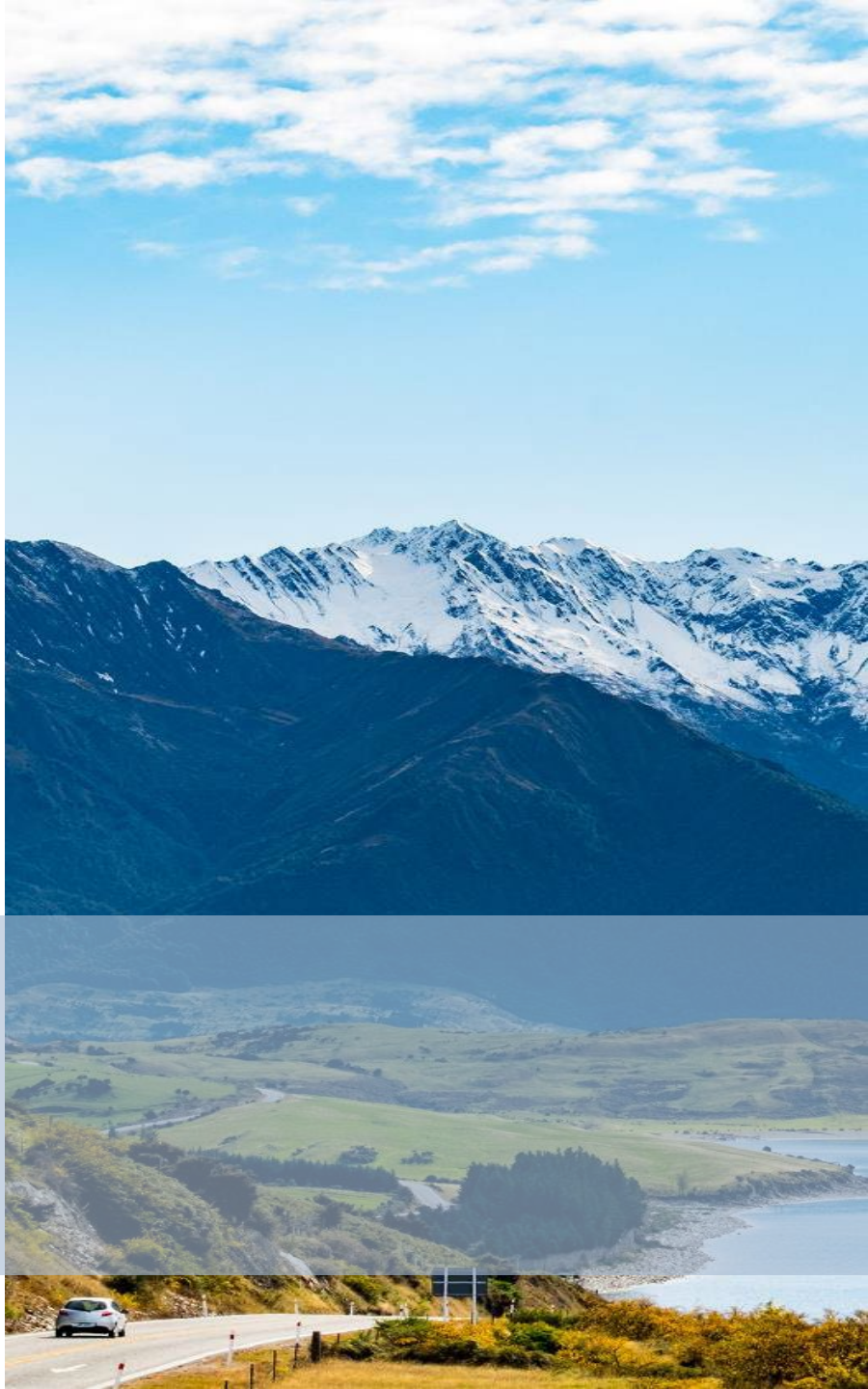
(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

FOR MORE INFORMATION

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Thank you for your interest in Ingevity.



APPENDIX

Non-GAAP Financial Measures

Ingevity has presented certain financial measures, defined below, which have not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and has provided a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP. These financial measures are not meant to be considered in isolation or as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. The Company believes these non-GAAP measures provide investors, potential investors, securities analysts and others with useful information to evaluate the performance of the business, because such measures, when viewed together with our financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. Ingevity uses the following non-GAAP measures:

Adjusted earnings (loss) is defined as net income (loss) plus restructuring and other (income) charges, net, acquisition and other-related costs, debt refinancing fees, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges and the income tax expense (benefit) on those items, less the provision (benefit) from certain discrete tax items.

Diluted adjusted earnings (loss) per share is defined as net income (loss) per diluted share plus restructuring and other (income) charges, net, acquisition and other related costs, debt refinancing fees, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges and the income tax expense (benefit) on those items, less the tax provision (benefit) from certain discrete tax items, in each case on a per share basis.

Adjusted Gross Profit is defined as gross profit plus depreciation and amortization, acquisition and other-related costs, pension and postretirement settlement and curtailment (income) charges.

Adjusted Gross Margin is defined as Adjusted Gross Profit divided by Net sales.

Adjusted SG&A is defined as selling, general, and administrative costs plus research and technical expenses less depreciation and amortization.

Adjusted SG&A as a Percent of Sales is defined as Adjusted SG&A divided by Net sales.

Adjusted Other (income) expense, net is defined as Other (income) expense, net plus litigation verdict charges and depreciation and amortization.

Adjusted Other (income) expense, net as a Percent of Sales is defined as Adjusted other (income) expense, net divided by Net sales.

Adjusted EBITDA is defined as net income (loss) plus interest expense, net, provision (benefit) for income taxes, depreciation, amortization, restructuring and other (income) charges, net, acquisition and other-related costs, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges, net.

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Net sales.

Adjusted earnings (loss) before income taxes is defined as Adjusted EBITDA less depreciation, amortization, interest expense, net, and debt refinancing fees.

Provision (benefit) for Income Taxes on Adjusted earnings (loss) is defined as provision for income taxes plus the tax expense (benefit) on restructuring and other (income) charges, net, acquisition and other-related costs, debt refinancing fees, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges, less the provision (benefit) from certain discrete tax items.

Adjusted Tax Rate is defined as the Provision (benefit) for income taxes on Adjusted earnings (loss) divided by Adjusted earnings (loss) before income taxes.

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures.

Net Debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt and long-term debt less the sum of cash and cash equivalents, restricted cash associated with our New Market Tax Credit financing arrangement, and restricted investment excluding the allowance for credit losses on held-to-maturity debt securities.

Net Debt Ratio is defined as Net Debt divided by last twelve months Adjusted EBITDA, inclusive of acquisition-related pro forma adjustments.

Ingevity also uses the above financial measures as the primary measures of profitability used by managers of the business. In addition, Ingevity believes Adjusted EBITDA and Adjusted EBITDA Margin are useful measures because they exclude the effects of financing and investment activities as well as non-operating activities. None of the above non-GAAP financial measures are intended to replace the presentation of financial results in accordance with GAAP and investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another. Reconciliations of these non-GAAP financial measures are set forth within the following pages.

A reconciliation of net income to adjusted EBITDA as projected for 2023 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other-related costs; litigation verdict charges; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA. A reconciliation of our GAAP effective tax rate to the adjusted tax rate as projected for 2023 is not provided due to the same reasons as listed under the net income to adjusted EBITDA as projected for 2023 detailed above. A reconciliation of our total debt to net income ratio to our net debt ratio as projected for 2023 is not provided as we do not forecast net income as noted above.

Reconciliation of Net Income (Loss) (GAAP) and Diluted Earnings (Loss) Per Share (GAAP) to Adjusted Earnings (Loss) (Non-GAAP) and Diluted Adjusted Earnings (Loss) Per Share (Non-GAAP)

In millions, except per data (unaudited)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
Net income (loss) (GAAP)	$ 15.6	$ 29.3	$ 211.6	$ 118.1
Restructuring and other (income) charges [1]	3.2	3.9	13.8	16.2
Acquisition and other related costs [2]	4.0	(0.3)	5.9	0.6
Pension and post retirement settlement and curtailment charges (income) [3]	0.2	—	0.2	—
Litigation verdict charge [4]	—	—	—	85.0
Debt refinancing fees [5]	—	—	5.1	—
Tax effect on items above	(1.8)	(1.1)	(5.9)	(23.8)
Certain discrete tax provision (benefit) [6]	0.3	(0.9)	0.7	13.4
Adjusted earnings (loss) (Non-GAAP)	$ 21.5	$ 30.9	$ 231.4	$ 209.5
Diluted earnings (loss) per common share (GAAP)	$ 0.41	$ 0.74	$ 5.50	$ 2.95
Restructuring and other (income) charges	0.08	0.10	0.36	0.40
Acquisition and other related costs	0.10	(0.01)	0.14	0.01
Pension and postretirement settlement and curtailment charges (income)	0.01	—	0.01	—
Litigation verdict charge	—	—	—	2.12
Debt refinancing fees	—	—	0.13	—
Tax effect on items above	(0.04)	(0.03)	(0.15)	(0.59)
Certain discrete tax provision (benefit)	0.01	(0.02)	0.02	0.34
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.57	$ 0.78	$ 6.01	$ 5.23
Weighted average common shares outstanding - Diluted	37.7	39.6	38.5	40.1

(1) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For the three and twelve months ended December 31, 2022, charges of $1.1 million and $4.8 million relate to the Performance Materials segment and charges of $2.1 million and $9.0 million relate to the Performance Chemicals segment, respectively. For the three and twelve months ended December 31, 2021, charges of $1.5 million and $6.0 million relate to the Performance Materials segment and charges of $2.4 million and $10.2 million relate to the Performance Chemicals segment, respectively.

(2) For the three and twelve months ended December 31, 2022, charges included in "Acquisition-related costs" on the condensed consolidated statement of operations of $0.3 million and $0.3 million relate to the acquisition of a strategic investment in the Performance Materials segment, and $2.8 million and $4.7 million relate to the acquisition and integration of the Ozark business into the Performance Chemicals segment, respectively. Additionally, for both the three and twelve months ended December 31, 2022, inventory step-up amortization of $0.9 million is included in "Cost of sales" on the condensed consolidated statement of operations related to the acquisition in the Performance Chemicals segment. For the three and twelve months ended December 31, 2021, charges of zero and $0.2 million relate to the acquisition of a strategic investment in the Performance Materials segment and income of $0.3 million and charges $0.4 million relate to the integration of the Perstorp Capa business into our Performance Chemicals segment, respectively.

(3) For the three and twelve months ended December 31, 2022, all charges relate to the Performance Materials segment.

(4) For the three and twelve months ended December 31, 2021, litigation verdict charge relates to the Performance Materials segment.

(5) Represents the acceleration of deferred financing fees, debt extinguishment premium paid and other fees incurred related to our senior note redemption, term loan repayment, revolving credit facility amendment, and termination of certain interest rate swaps during the second quarter of 2022. Management believes excluding these items assists investors, potential investors, securities analysts, and others in understanding the continuing operating results thereby providing useful supplemental information about operational performance.

(6) Represents certain discrete tax items such as excess tax benefits on stock compensation and impacts of legislative tax rate changes. Management believes excluding these discrete tax items assists investors, potential investors, securities analysts, and others in understanding the tax provision and the effective tax rate related to continuing operating results thereby providing useful supplemental information about operational performance.

Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income (loss) (GAAP)	$ 15.6	$ 29.3	$ 211.6	$ 118.1
Provision (benefit) for income taxes	4.1	7.0	58.0	44.7
Interest expense, net	17.0	11.5	54.3	47.7
Depreciation and amortization	30.2	28.2	108.8	109.9
Restructuring and other (income) charges, net	3.2	3.9	13.8	16.2
Acquisition and other related costs	4.0	(0.3)	5.9	0.6
Litigation verdict accrual	—	—	—	85.0
Pension and postretirement settlement and curtailment charges (income), net	0.2	—	0.2	—
Adjusted EBITDA (Non-GAAP)	$ 74.3	$ 79.6	$ 452.6	$ 422.2
Net sales	$ 383.6	$ 336.0	$ 1,668.3	$ 1,391.5
Net income (loss) margin	4.1%	8.7%	12.7%	8.5%
Adjusted EBITDA margin	19.4%	23.7%	27.1%	30.3%

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Reconciliation of Gross Profit (GAAP) to Adjusted Gross Profit (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
Gross Profit (GAAP)	$ 105.4	$ 105.0	$ 570.1	$ 512.8
Plus:				
Depreciation and amortization	17.2	17.5	65.2	66.8
Pension and post retirement settlement and curtailment charges (income)	0.2	—	0.2	—
Inventory fair value step-up amortization	0.9	—	0.9	—
Adjusted gross profit (Non-GAAP)	$ 123.7	$ 122.5	$ 636.4	$ 579.6
Net Sales	$ 383.6	$ 336.0	$ 1,668.3	$ 1,391.5
Gross margin	27.5 %	31.3 %	34.2 %	36.9 %
Adjusted Gross margin	32.2 %	36.5 %	38.1 %	41.7 %

Reconciliation of SGA (GAAP) to Adjusted SG&A (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
SG&A (GAAP)	$ 55.9	$ 48.3	$ 198.8	$ 179.3
Research and technical expenses (GAAP)	7.2	7.0	30.3	26.3
Total SG&A (GAAP)	63.1	55.3	229.1	205.6
Less:				
Depreciation and amortization	12.3	10.5	42.3	42.9
Adjusted SG&A (Non-GAAP)	$ 50.8	$ 44.8	$ 186.8	$ 162.7
Net Sales	$ 383.6	$ 336.0	$ 1,668.3	$ 1,391.5
SG&A as a percent of Net sales	14.6 %	14.4 %	11.9 %	12.9 %
Adjusted SG&A as a percent of Net sales	13.2 %	13.3 %	11.2 %	11.7 %

Reconciliation of Other (income) expense, net (GAAP) to Adjusted Other (income) expense, net (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
Other (income) expense, net (GAAP)	$ (0.7)	$ (1.7)	$ (1.7)	$ 79.9
Less:				
Litigation verdict accrual [1]	—	—	—	85.0
Depreciation and amortization	0.7	0.2	1.3	0.2
Other (income) expense, net (Non-GAAP)	$ (1.4)	$ (1.9)	$ (3.0)	$ (5.3)
Net Sales	$ 383.6	$ 336.0	$ 1,668.3	$ 1,391.5
SG&A as a percent of Net sales	(0.2)%	(0.5)%	(0.1)%	5.7 %
Adjusted SG&A as a percent of Net sales	(0.4)%	(0.6)%	(0.2)%	(0.4)%

Reconciliation of Cash Flow from Operations (GAAP) to Free Cash Flow (Non-GAAP)

In millions (unaudited)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021
Cash Flow from Operations	$ 98.2	$ 76.0	$ 313.1	$ 293.0
Less: Capital Expenditures	49.2	37.4	142.5	103.8
Free Cash Flow	$ 49.0	$ 38.6	$ 170.6	$ 189.2

In millions (unaudited)	Twelve Months Ended December 31, 2017	2018	2019	2020
Cash Flow from Operations	$ 174.3	$ 252.0	$ 275.7	$ 352.4
Less: Capital Expenditures	52.6	93.9	114.8	82.1
Free Cash Flow	$ 121.7	$ 158.1	$ 160.9	$ 270.3

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Reconciliation of Provision for Income Taxes (GAAP) to Provision for Income Taxes on Adjusted Earnings (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Adjusted EBITDA (Non-GAAP)	$ 74.3	$ 79.6	$ 452.6	$ 422.2
Less:				
Depreciation and amortization	30.2	28.2	108.8	109.9
Interest expense, net	17.0	11.5	54.3	47.7
Debt refinancing fees[1]	—	—	(5.1)	—
Adjusted earnings (loss) before taxes (Non-GAAP)	$ 27.1	$ 39.9	$ 294.6	$ 264.6
Provision (benefit) for income taxes (GAAP)	$ 4.1	$ 7.0	$ 58.0	$ 44.7
Less:				
Tax provision (benefit) on certain items	(1.8)	(1.1)	(5.9)	(23.8)
Discrete tax provision (benefit) [2]	0.3	(0.9)	0.7	13.4
Provision (benefit) for Income Taxes on Adjusted Earnings (Non-GAAP)	$ 5.6	$ 9.0	$ 63.2	$ 55.1
Tax Rate (GAAP)	20.8%	19.3%	21.5%	27.5%
Adjusted Tax Rate (Non-GAAP)	20.7%	22.6%	21.5%	20.8%

(1) Represents the acceleration of deferred financing fees, debt extinguishment premium paid and other fees incurred related to our senior note redemption, term loan repayment, revolving credit facility amendment, and termination of certain interest rate swaps during the second quarter of 2022. Management believes excluding these items assists investors, potential investors, securities analysts, and others in understanding the continuing operating results thereby providing useful supplemental information about operational performance.

(2) Primarily related to legislative tax rate changes enacted in the United Kingdom ("UK") and the resulting revaluation of our net deferred tax liability associated with our UK operations.

Calculation of Net Debt to Adjusted EBITDA Ratio (Non-GAAP)

In millions, except ratios (unaudited)	December 31, 2022	December 31, 2021
Notes payable and current maturities of long-term debt	$ 0.9	$ 19.6
Long-term debt including finance lease obligations	1,472.5	1,250.0
Debt issuance costs	6.5	10.9
Total Debt	$ 1,479.9	$ 1,280.5
Less:		
Cash and cash equivalents [1]	77.0	275.7
Restricted investment	78.6	76.6
Net Debt	$ 1,324.3	$ 928.2
Net Debt Ratio (Non GAAP)		
Adjusted EBITDA [2]		
Adjusted EBITDA - last twelve months (LTM) as of December 31	$ 452.6	$ 422.2
Net debt ratio (Non GAAP)	2.93x	2.20x

(1) Includes $0.3 million and $0.3 million of Restricted Cash related to the New Market Tax Credit arrangement for the years ended December 31, 2022 and 2021, respectively.

(2) Excludes $0.6 million and $0.5 million of the allowance for credit losses on held-to-maturity debt securities for the years ended December 31, 2022 and 2021, respectively.

(3) Refer to the Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP) schedule for the reconciliation to the most comparable GAAP financial measure.

Calculation of Historical Net Debt Ratio (Non-GAAP)

	December 31,					2022		
In millions, except ratios (unaudited)	2017	2018	2019	2020	2021	Q1	Q2	Q3
Net Debt [1]	$ 295.8	$ 610.2	$ 1,121.0	$ 982.7	$ 928.2	$ 976.7	$ 975.9	$ 1,011.3
Adjusted EBITDA[2]	242.7	320.5	396.9	397.9	422.2	435.8	439.2	457.9
Pine Chemical Pro Forma [3]	26.9	4.8	—	—	—	—	—	—
Caprolactone Pro Forma [3]	—	61.1	5.5	—	—	—	—	—
LTM Pro Forma Adjusted EBITDA	$ 269.6	$ 386.4	$ 402.4	$ 397.9	$ 422.2	$ 435.8	$ 439.2	$ 457.9
Net Debt Ratio	1.1x	1.6x	2.8x	2.5x	2.2x	2.2x	2.2x	2.2x

(1) Net debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt and long-term debt less the sum of cash and cash equivalents, restricted cash associated with our New Market Tax Credit financing arrangement, and restricted investment excluding the allowance for credit losses on held-to-maturity debt securities.

(2) Refer to the Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP) schedule for the reconciliation to the most comparable GAAP financial measure.

(3) Pro forma amounts include historical results of the Pine Chemical Business and Caprolactone Business, prior to the acquisition dates of March 8, 2018 and February 13, 2019, respectively. These amounts also include adjustments as if the acquisitions had occurred on January 1st of the year preceding the acquisition date. The pro forma amounts do not include adjustments for expenses related to integration activities, cost savings, or synergies that have been or may have been realized had we acquired the businesses on January 1st of the year preceding the acquisition date. Details associated with the pro forma results for both acquisitions are included within the Management Discussion and Analysis section of the Company's Form 10-K for each respective period.